

STATE PROPERTY AND BUILDINGS COMMISSION

June 14, 2005

The State Property and Buildings Commission was called to order on Tuesday, June 14, 2005 at 10:00 a.m. in Room 264 of the Capitol Annex by Robbie Rudolph, Chairman. Members present were David Moss, proxy for Lt. Governor Stephen B. Pence; Warren Nash; proxy for Marvin E. Strong, Secretary, Cabinet for Economic Development; and Bonnie Howell, proxy for Attorney General Greg Stumbo.

Secretary Rudolph verified with Commission staff that a quorum was present and that the press had been notified of the meeting. Secretary Rudolph introduced the first item of business, which was approval of the minutes of the May 16, 2005 meeting. A motion was made by Mr. Nash and seconded by Ms. Howell to accept the minutes of the May 16, 2005 meeting. Motion **CARRIED**.

Secretary Rudolph introduced Resolution 2005-14:

**RESOLUTION OF THE STATE PROPERTY AND BUILDINGS
COMMISSION OF THE COMMONWEALTH OF KENTUCKY
APPROVING THE ISSUANCE BY THE KENTUCKY HOUSING
CORPORATION OF ITS HOUSING REVENUE BONDS IN ONE OR
MORE SERIES IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO
EXCEED \$80,000,000.**

F. Thomas Howard, Acting Executive Director, informed the Commission members that Resolution 2005-14 approved the issuance of Kentucky Housing Corporation (the "Corporation") Single Family Housing Revenue Bonds 2005 in one or more series in an amount not to exceed \$80,000,000. Mr. Howard indicated that this project was approved by the Kentucky Housing Corporation Board of Directors on May 26, 2005 and would be presented to the Capital Projects and Bond Oversight Committee for approval on June 21, 2005. Mr. Howard reminded the Commission members that approval is not statutorily required but since the Commission has been established as the clearinghouse for the issuance of debt, bond counsel has requested approval by this Commission. Mr. Howard stated that Kutak Rock LLP will serve as bond counsel; Peck, Shaffer and Williams LLP will serve as underwriter's counsel; and J. P. Morgan will serve as trustee. Mr. Howard further indicated that these bonds would be similar to the 2005 Series A and Series B bonds sold previously by the Commission and would incorporate both fixed rate and synthetic fixed rate bonds.

A motion was made by Ms. Howell and seconded by Mr. Nash to approve Resolution 2005-14 approving the issuance by the Kentucky Housing Corporation of its Single Family Housing Revenue Bonds in one or more series in an aggregate principal amount not to exceed \$80,000,000. Motion carried and Resolution 2005-14 was **ADOPTED**.

Secretary Rudolph introduced Resolution 2005-15:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE ISSUANCE BY THE KENTUCKY ECONOMIC DEVELOPMENT FINANCE AUTHORITY OF ITS VARIABLE/FIXED RATE DEMAND SOLID WASTE DISPOSAL REVENUE BONDS (REPUBLIC SERVICES, INC. PROJECT) SERIES 2005 IN AN AMOUNT NOT TO EXCEED \$12,000,000.

Mr. Warren Nash, Deputy Commissioner, Department of Financial Incentives, Cabinet for Economic Development, informed the Commission that Resolution 2005-15 approves the issuance of bonds on behalf of Republic Services. He stated that the project is a conduit financing and would not be an obligation of the Commonwealth. Mr. Nash indicated that the project proposes to issue solid waste disposal revenue bonds to finance the construction and equipping of existing landfills located in Lincoln, Grant and Trimble counties. Mr. Nash noted that all three of the landfills are managed by Republic Services. Mr. Nash further stated that local authorities have issued resolutions requesting the Kentucky Economic Development Finance Authority (“KEDFA”) to take this action and KEDFA requests the Commission to approve the bonds.

A motion was made by Ms. Howell and seconded by Mr. Moss to adopt Resolution 2005-15 approving the issuance of variable/fixed rate demand solid waste disposal revenue bonds by the Kentucky Economic Development Finance Authority in an amount not to exceed \$12,000,000. Motion carried and Resolution 2005-15 was **ADOPTED**.

Secretary Rudolph introduced Resolution 2005-16:

RESOLUTION OF THE STATE PROPERTY AND BUILDINGS COMMISSION OF THE COMMONWEALTH OF KENTUCKY APPROVING THE APPLICATION OF THE SECRETARY OF THE CABINET FOR ECONOMIC DEVELOPMENT TO IDENTIFY AND SPECIFY A CERTAIN ECONOMIC DEVELOPMENT PROJECT TO BE FINANCED FROM THE PROCEEDS OF ECONOMIC DEVELOPMENT REVENUE BONDS TO BE ISSUED BY THE COMMISSION FOR BELCAN ENGINEERING GROUP, INC. (LEXINGTON-FAYETTE URBAN COUNTY GOVERNMENT)(\$500,000).

Mr. Nash informed the Commission that Resolution 2005-16 approved an economic development bond grant being made to the Lexington-Fayette Urban County Government on behalf of Belcan Engineering Group. Mr. Nash indicated that Secretary Rudolph signed the concurrence letter on May 17, 2005 approving the use of \$500,000 in economic development bonds for a new domestic engineering design center to be located in the World Trade Center in Lexington, Kentucky. He stated that Sikorsky Aircraft Corporation would be the primary client. The bonds will help offset the approximate cost of \$2.9 million to lease the 45,000-sq. ft. space in the World Trade Center. Mr. Nash stated that in consideration of the grant, Belcan Engineering Group must create 250 full

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time jobs at a minimum hourly wage of \$24.85. Mr. Nash stated that the company must maintain the jobs at the hourly rate for an additional three years or they will be required to repay to the Lexington-Fayette Urban County Government \$2,000 for each full time job not created. Mr. Nash noted that the bond issue would be supported by a Letter of Credit that is acceptable to the Cabinet for Economic Development. Mr. Nash indicated that staff recommended approval of the Resolution.

A motion was made by Ms. Howell and seconded by Mr. Moss to adopt Resolution 2005-16 approving the application of the Secretary of the Cabinet for Economic Development to identify and specify a certain economic development project to be financed from the proceeds of economic development revenue bonds for Belcan Engineering Group (Lexington-Fayette Urban County Government)(\$500,000). Motion carried and Resolution 2005-16 was **ADOPTED**.

With no further business before the Commission, a motion was made to adjourn.

Secretary

State Property and Buildings Commission